

# House File 654 - Introduced

HOUSE FILE \_\_\_\_\_  
BY WHITAKER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the surveying of unused highway right-of-way  
2 to be sold by the department of transportation.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2345YH 83  
5 dea/sc/14

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1 1 Section 1. Section 306.22, Code 2009, is amended to read  
1 2 as follows:  
1 3 306.22 SALE OF UNUSED RIGHT-OF-WAY.  
1 4 1. When title to any tract of land has been or may be  
1 5 acquired for the construction or improvement of any highway,  
1 6 and when in the judgment of the agency in control of the  
1 7 highway, the tract will not be used in connection with or for  
1 8 the improvement, maintenance, or use of the highway, the  
1 9 agency in control of the highway may sell the tract for cash.  
1 10 2. The department may contract for the sale of any tract  
1 11 of land subject to the following terms and conditions:  
1 12 ~~1- a.~~ a. The discounted present market value of the contract  
1 13 offer, including the cash down payment, shall exceed one  
1 14 hundred ten percent of the highest cash offer submitted for  
1 15 the tract if a cash offer is received. The discount rate  
1 16 shall be the rate of interest stated in the contract.  
1 17 ~~2- b.~~ b. The cash down payment shall be equal to or in  
1 18 excess of five percent of the total purchase price.  
1 19 ~~3- c.~~ c. The term of the contract shall not exceed ten  
1 20 years.  
1 21 ~~4- d.~~ d. The rate of interest stated in the contract shall  
1 22 not be less than the prevailing rate of interest charged on  
1 23 contract land sales by sellers in the county or general area  
1 24 in which the tract of land is located.  
1 25 ~~5- e.~~ e. The department shall advertise for cash bids and  
1 26 contract offers before accepting a contract offer.  
1 27 ~~6- f.~~ f. The appraised value of property sold under a land  
1 28 contract sale shall be at least five thousand dollars.  
1 29 ~~7- g.~~ g. Any tract of land sold on contract shall be listed  
1 30 on the tax rolls by and taxed to the contract purchaser, as  
1 31 provided in chapters 428 and 443; assessed and valued as  
1 32 provided in chapter 441; taxes levied as provided in chapter  
1 33 444; collected as provided in chapter 445; and subject to tax  
1 34 sale, redemption, and apportionment of taxes as provided in  
1 35 chapters 446 to 449. The contract purchaser shall discharge  
2 1 and pay all taxes.  
2 2 3. If any tract of land is sold, the sale shall be subject  
2 3 to the right of a utility association, company, or corporation  
2 4 to continue in possession of a right-of-way in use at the time  
2 5 of the sale.  
2 6 4. If the department has agreed to the sale of land for  
2 7 which a survey is required, the department as grantor may  
2 8 allow the purchaser to secure a survey of the land pursuant to  
2 9 the requirements of chapter 354, to be recorded by the  
2 10 department prior to the transfer of title to the land. The  
2 11 department may require that all or a portion of the costs of a  
2 12 survey secured by the purchaser be paid by the purchaser.

### EXPLANATION

2 14 This bill addresses the sale of unused highway right-of-way  
2 15 by the department of transportation. The bill provides that  
2 16 if the land to be sold is required to be surveyed, the  
2 17 department, as the grantor of the land, may allow the  
2 18 purchaser of the land to secure the survey. The survey must  
2 19 be made and recorded prior to transfer of title to the land.  
2 20 The department may require the purchaser to pay all or a

2 21 portion of the costs of conducting the survey.  
2 22 LSB 2345YH 83  
2 23 dea/sc/14.1